

TRANSPORTATION PARTNERSHIPS FUND

FINANCIAL STATEMENTS

For the Year Ended March 31, 1999



Provincial Auditor Saskatchewan

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AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the balance sheet of the Transportation Partnerships Fund as at March 31, 1999 and the statements of income and fund balance and cash flows for the year then ended. The Fund's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Transportation Partnerships Fund as at March 31, 1999 and the results of its operations and cash flows for the year then ended in accordance with generally accepted accounting principles.

Wayne Strelieff

Regina, Saskatchewan
November 3, 1999

Wayne Strelieff, CA
Provincial Auditor

Statement 1

TRANSPORTATION PARTNERSHIPS FUND
BALANCE SHEET
As at March 31

	<u>1999</u>	<u>1998</u> Restated see Note 6
ASSETS		
Current Assets:		
Due from General Revenue Fund (Note 3)	\$ 818,042	\$ 1,018,802
Accounts Receivable (Net of Allowance of \$34,442)	<u>315,339</u>	<u>450,216</u>
	<u>\$ 1,133,381</u>	<u>\$ 1,469,018</u>
LIABILITIES AND FUND BALANCE		
Current Liabilities:		
Accounts Payable	\$ 100,907	\$ 552,411
Fund Balance (Statement 2)	<u>1,032,474</u>	<u>916,607</u>
	<u>\$ 1,133,381</u>	<u>\$ 1,469,018</u>

(See accompanying notes to financial statements)

Statement 2

TRANSPORTATION PARTNERSHIPS FUND
STATEMENT OF INCOME AND FUND BALANCE
For The Year Ended March 31
(With comparative figures for the nine months ended March 31, 1998)

	<u>1999</u>	<u>1998</u>
Revenue		
Transportation Partnerships Agreement Revenues	\$ 938,679	\$ 1,429,912
Administrative Expense Recovery	78,157	35,487
Interest Revenue (Note 3)	<u>57,177</u>	<u>3,619</u>
Total Revenue	<u>1,074,013</u>	<u>1,469,018</u>
Expenditure		
Highway Improvement Projects	823,703	488,011
Administrative Expenses (Note 4)	100,000	64,400
Bad Debt Expense	<u>34,443</u>	<u>-</u>
Total Expenditure	<u>958,146</u>	<u>552,411</u>
Surplus for the period	115,867	916,607
Fund Balance, beginning of period	<u>916,607</u>	<u>-</u>
Fund Balance, end of period (Statement 1)	<u>\$ 1,032,474</u>	<u>\$ 916,607</u>

(See accompanying notes to financial statements)

Statement 3

TRANSPORTATION PARTNERSHIPS FUND
STATEMENT OF CASH FLOWS
For the Year Ended March 31
(With comparative figures for the nine months ended March 31, 1998)

	<u>1999</u>	<u>1998</u>
Cash flows from operating activities:		
Cash receipts from transportation companies	\$ 1,117,270	\$ 1,015,183
Interest received	57,177	3,619
Cash paid for highway improvement projects	(1,310,807)	-
Cash paid for administration	<u>(64,400)</u>	<u>-</u>
Net (decrease)increase in cash and cash equivalents	(200,760)	1,018,802
Due from General Revenue Fund, beginning of period	<u>1,018,802</u>	<u>-</u>
Due from General Revenue Fund, end of period	<u>\$ 818,042</u>	<u>\$ 1,018,802</u>

(See accompanying notes to financial statements)

TRANSPORTATION PARTNERSHIPS FUND
NOTES TO THE FINANCIAL STATEMENTS
March 31, 1999

1. Authority and Definition of Entity

The Transportation Partnerships Fund was established effective July 1, 1997 pursuant to Section 8 of *The Highways and Transportation Act, 1997*. The purpose of the Fund is to:

- a) perform the obligations of the minister pursuant to a transportation partnership agreement;
- b) to develop, promote, market, and provide transportation technology, expertise, goods and services inside and outside Saskatchewan; and
- c) to construct public improvements.

2. Significant Accounting Policies

The financial statements have been prepared in accordance with generally accepted accounting principles. The following accounting principles are considered significant.

a) **Basis of Accounting**

The financial statements have been prepared using the accrual basis of accounting.

b) **Revenue Recognition**

Revenues from transportation partnership agreements are recognized by the Fund as the transportation companies achieve cost savings from being permitted to haul overweight and/or over dimension loads.

c) **Cash and cash equivalents consist of amounts on deposit with the General Revenue Fund.**

3. Due from General Revenue Fund

The monies of the Transportation Partnerships Fund are deposited in the General Revenue Fund. Under this arrangement, earned interest is calculated and paid by the General Revenue Fund on the net position of the Transportation Partnerships Fund on a quarterly basis using the Government's thirty day borrowing rate and the Transportation Partnerships Fund's average daily bank account balance.

4. Related Party Transactions

All Government of Saskatchewan agencies such as departments, corporations, boards and commissions are related as they are controlled by the Government. These financial statements include transactions with other Government agencies. These transactions are in the normal course of operations and are recorded at agreed upon exchange amounts.

At year-end, the Fund owed \$100,000 (1998 - \$64,400) to the Department of Highways and Transportation General Revenue Fund for salary and administrative expenses. In accordance with established government practice, the Fund has not been charged with certain other costs and therefore no provision for such costs is reflected in these financial statements.

Transportation Partnerships Agreement Revenues include \$129,964 (1998 - \$59,037), from SaskPower, a related party, pursuant to a transportation partnership agreement between the Fund and SaskPower. At year-end, SaskPower owed the fund \$30,000 (1998 - \$15,000).

The Fund earned interest income of \$57,177 (1998 - \$3,619) on monies deposited in the General Revenue Fund. At year-end, the Fund had monies deposited in the General Revenue Fund totaling \$818,042 (1998 - \$1,018,802).

5. Comparison of Planned and Actual Results

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<u>REVENUE</u>			
Transportation Partnership Agreements	\$1,057,250	\$ 938,679	(\$ 118,571)
Other Revenue	20,000	78,157	58,157
Interest Revenue	<u>35,000</u>	<u>57,177</u>	<u>22,177</u>
	\$1,112,250	\$1,074,013	(\$ 38,237)
<u>EXPENDITURES</u>			
Highway Improvement Projects	\$ 980,000	\$ 823,703	\$ 156,297
Other Transportation Initiatives	128,800	0	128,800
Administrative Expenses	151,500	100,000	51,500
Bad Debt Expense	<u>0</u>	<u>34,443</u>	(34,443)
	<u>\$1,260,300</u>	<u>\$ 958,146</u>	<u>\$ 302,154</u>
SURPLUS (DEFICIT) FOR THE YEAR	(\$ 148,050)	\$ 115,867	\$ 263,917

6. Comparative Figures

Certain 1998 figures have been restated. The impact of the restatement on the 1998 financial statement figures is to increase Due from General Revenue Fund and Accounts Payable figures by \$64,400.